



CITY COUNCIL AGENDA ITEM

Subject: Resolution of Opposition to HF 4124 and SF 4689 – Homeowners Association Reform Bills

Prepared By: Jasper Kruggel, City Administrator

Meeting Date: April 21, 2025

Issue: This memo outlines the City of Minnetrista’s position against House File 4124 (HF 4124) and Senate File 4689 (SF 4689), which propose reforms to homeowners associations (HOAs) and common interest communities, and recommends formalizing this stance through a resolution.

Overview: HF 4124, authored by Rep. Fue Lee, amends the Minnesota Common Interest Ownership Act to require HOAs to file annual disclosures with the state, including governing documents and financial information, and establishes a public database and dispute resolution process. SF 4689, authored by Sen. Lindsey Port, regulates short-term rentals within HOAs. Both bills have advanced through committee hearings and are under consideration in the Minnesota Legislature.

Reasons for Opposition:

The City of Minnetrista opposes HF 4124 and SF 4689 for the following reasons:

1. Increased Administrative Burden on Local Governments: The state-level mandates for HOA disclosures and dispute resolution may indirectly burden city staff with enforcement or oversight responsibilities, straining limited municipal resources.
2. Infringement on Local Control: These bills impose uniform regulations that may not account for the unique needs of Minnetrista’s communities, undermining the city’s ability to address HOA-related issues through local ordinances.
3. Potential Costs to Residents: The requirements for disclosures and compliance could increase HOA operating costs, leading to higher fees for Minnetrista residents without clear evidence of proportional benefits.
4. Overreach in Short-Term Rental Regulation: SF 4689’s focus on short-term rentals within HOAs may preempt local zoning and regulatory authority, limiting the city’s ability to manage rental impacts tailored to Minnetrista’s neighborhoods.
5. Lack of Clarity: The bills’ provisions, including the proposed task force in HF 4124, lack sufficient detail on implementation, funding, and long-term impacts, creating uncertainty for municipalities and residents.

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

Recommended City Council Action: Staff recommends that the City Council adopt a formal resolution expressing dissent to HF 4124 and SF 4689 and communicate this position to state legislators, the League of Minnesota Cities, and relevant stakeholders. A draft resolution is attached for your consideration.

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

RESOLUTION NO. 43-25

A RESOLUTION OPPOSING HOUSE FILE 4124 AND SENATE FILE 4689

WHEREAS, the Minnesota Legislature is considering House File 4124 (HF 4124) and Senate File 4689 (SF 4689), which propose reforms to homeowners associations (HOAs) and common interest communities, including mandatory state disclosures, public record access, dispute resolution processes, and regulation of short-term rentals; and

WHEREAS, the City of Minnetrista recognizes the importance of effective HOA governance but believes these bills impose undue burdens on local governments, HOAs, and residents; and

WHEREAS, HF 4124 and SF 4689 may increase administrative demands on municipalities, potentially requiring city staff to support state-mandated compliance or enforcement without adequate funding; and

WHEREAS, the bills risk undermining local control by imposing uniform regulations that may not align with the specific needs of Minnetrista's communities; and

WHEREAS, the proposed requirements could raise HOA costs, increasing financial burdens on Minnetrista residents through higher fees; and

WHEREAS, SF 4689's regulation of short-term rentals may limit the city's zoning and regulatory authority, hindering tailored solutions for Minnetrista's neighborhoods; and

WHEREAS, the bills lack sufficient clarity on implementation, funding, and long-term impacts, creating uncertainty for municipalities and residents;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Minnetrista, Minnesota, that:

1. The City of Minnetrista opposes House File 4124 and Senate File 4689 due to their potential to burden local governments, infringe on local control, increase costs for residents, and create regulatory uncertainty.
2. The City urges the Minnesota Legislature to reconsider these bills and engage with municipalities to address HOA governance through collaborative, locally tailored solutions.
3. The City Administrator is directed to transmit this resolution to Rep. Fue Lee, Sen. Lindsey Port, Minnetrista's legislative delegation, the League of Minnesota Cities, and other relevant stakeholders.

Adopted by the City Council on this 21st day of April 2025.

Lisa Whalen, Mayor

ATTEST:

Ann Meyerhoff, City Clerk